

Message Text

LIMITED OFFICIAL USE

PAGE 01 ISTANB 00998 311220Z

53

ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 EB-07 EA-06 /026 W

----- 043991

P R 310715Z MAR 75

FM AMCONSUL ISTANBUL

TO SECSTATE WASHDC PRIORITY 5936

INFO /AMEMBASSY ANKARA 7208

LIMITED OFFIC

YL USE ISTANBUL 0998

EO 11652: N/A

TAGS: BEXP, TU

SUBJECT: MAJOR PROXJECT - PENDIK SHIPYARD

REF: (A) STATE 71006; (B) ISTANBUL 803 AND PREVIOUS

1. WE HAVE JUST LEARNED THAT TURKISH MARITIME BANK HOPES TO MAKE DECISION AND SIGN CONTRACT FOR TECHNICAL COOPERATION AGREEMENT FOR PENDIK SHIPYARD IN NEXT TEN DAYS TO TWO WEEKS. WE UNDERSTAND THAT MCMULLEN IS NOT AMONG THOSE FIRMS UNDER ACTIVE CONSIDERATION. THE THREE TOP FIRMS LISTED IN ORDER ARE: IHI (JAPANESE); AKER(NORWAY); AND SWAN HUNTER (U.K.). JAPANESE HAVE DETAILED KNOWLEDGE OF PROJECT FROM 1970-73 PERIOD WHEN IHI HAD INTENSIVE NEGOTIATIONS WITH TURKISH MARITIME BANK AND TURKISH GOVERNMENT FOR CONSTRUCTION PENDIK SHIPYARD INVOLVING SIZEABLE JAPANESE INVESTMENT. DEAL FINALLY FELL THROUGH REPORTEDLY BECAUSE IHI INSISTED ON 57 PERCENT OWNERSHIP AND ALSO BECAUSE IT UNABLE TO FULFILL COMMITMENT FOR LONG TERM FINANCING AT LOW INTEREST RATE. THIS LEFT CONSIDERABLE RESIDUE OF ILL WILL AND FOR THIS REASON, ALTHOUGH JAPANESE HAVE APPARENTLY MADE BEST OFFER, IT IS CONSIDERED LIKELY THAT AKER WILL OBTAIN CONTRACT. WE UNDERSTAND THAT MANAGING DIRECTOR OF SHIPYARDS IS SCHEDULED TO VISIT NORWAY IN ABOUT ONE WEEK.

2. IN ORDER FOR MCMULLEN TO COME UNDERCONSIDERATION IT APPEARS ESSENTIAL THAT MCMULLEN BE PREPARED TO LOWER PRICE TO BRING IT TO LEVEL OF NORWEGIAN AND BRITISH FIRMS' PROPOSALS AND EITHER
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ISTANB 00998 311220Z

MCMULLEN TEAM (INCLUDING PERHAPS AMERICAN SHIPBUILDING AND VAN

HOUTEN REPS) WHO ARE KNOWLEDGEABLE ON TECHNICAL ASPECTS OF PROJECT AND EMPOWERED TO NEGOTIATE SHOULD VISIT TURKEY WITHIN NEXT WEEK, OR ALTERNATIVELY, SHIPYARD'S MANAGING DIRECTOR SHOULD BE INVITED TO NEW YORK AT COMPANY'S EXPENSE FOR DISCUSSIONS.

3. LOCAL PARTNER IS NOT RPT NOT PREREQUISITE TO OBTAINING CONTRACT BUT SUITABLE LOCAL REP. WITH GOOD CONTACTS IN MARITIME BANK WILL PROBABLY BE ESSENTIAL.

4. CONGEN WILL PROVIDE FULL ASSISTANCE TO MCMULLEN BUT BELIEVES EFFORT WILL NOT BE SUCCESSFUL UNLESS FIRM IS PREPARED TO MOVE ALONG LINES OUTLINED PARA 2.
MACE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 31 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: woolflhd
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ISTANB00998
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750111-0058
From: ISTANBUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975033/aaaaabuw.tel
Line Count: 74
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 71006, 75 ISTANBUL 803
Review Action: RELEASED, APPROVED
Review Authority: woolflhd
Review Comment: n/a
Review Content Flags:
Review Date: 20 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 AUG 2003 by MartinML>; APPROVED <09 DEC 2003 by woolflhd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROXJECT - PENDIK SHIPYARD
TAGS: BEXP, TU
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006